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**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**

Husser, Louisiana

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**FINANCIAL STATEMENTS**

As of and for the Year Ended

December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

**ANTHONY B. BAGLIO, CPA**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
A Professional Accounting Corporation

Release Date 7-26-06

# HUSSER VOLUNTEER FIRE DEPARTMENT, INC.

Husser, Louisiana

## Financial Statements

As of and for the Year Ended  
December 31, 2005

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**ANTHONY B. BAGLIO, CPA  
A PROFESSIONAL ACCOUNTING CORPORATION**

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Hammond, LA 70401  
(985) 542-4155

**ACCOUNTANT'S COMPILATION REPORT**

To the Members of the  
Husser Volunteer Fire Department, Inc.  
Husser, Louisiana

I have compiled the accompanying statement of financial position arising from appropriations and certain other transactions of Husser Volunteer Fire Department, Inc. (Husser), a nonprofit organization, as of December 31, 2005 and the related statements of activities and changes in net assets and cash flows arising from appropriations and certain other transactions for the year then ended and the accompanying supplementary information schedules on pages 11 through 13 which is presented only for supplementary analysis purposes. These financial statements have been compiled in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and have been prepared on a basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to only include those disclosures that pertain to appropriations and certain other transactions.

I am not independent with respect to the Husser Volunteer Fire Department, Inc.



Anthony B. Baglio, CPA  
A Professional Accounting Corporation

June 10, 2006

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**

**Statement of Financial Position Arising From  
Appropriations and Certain Other Transactions  
December 31, 2005**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$160,829
Receivables – Appropriations from Tangipahoa Parish Rural Fire Protection District No. 2	65,986
Other Receivables	570
Prepaid Insurance	<u>5,660</u>
Total Current Assets	<u>233,045</u>
Total Assets	<u>\$233,045</u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	10,850
Miscellaneous Payable	<u>161</u>
Total Current Liabilities	11,011

**Net Assets**

Temporarily Restricted	<u>222,034</u>
Total Net Assets	<u>222,034</u>
Total Liabilities and Net Assets	<u>\$233,045</u>

See accompanying notes and accountant's report.

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**

**Statement of Activities and Changes  
In Net Assets Arising From  
Appropriations and Certain Other Transactions  
Year Ended December 31, 2005**

TEMPORARILY RESTRICTED NET ASSETS

Support and Revenues

Appropriations from Tangipahoa Parish Rural Fire Protection District No. 2	\$156,508
Interest	1,886
Miscellaneous Other Revenues	<u>42,870</u>
Total Temporarily Restricted Support and Revenues	201,264

EXPENSES (NET ASSETS RELEASED FROM RESTRICTIONS)

Program Services

Equipment Acquisitions	62,146
Cleaning Maintenance	4,292
Fees	535
Fuel	8,300
Insurance	28,061
Office Supplies	3,152
Professional Fees	4,085
Repairs and Maintenance –	
Building	1,721
Equipment	15,600
Supplies	6,051
Telephone	3,567
Training	5,480
Utilities	<u>2,255</u>
Total Program Services	145,245
Return of Appropriation to Rural Fire Protection District No. 2 for Debt Principal and Interest	<u>28,126</u>
Total Net Assets Released from Restrictions	<u>173,371</u>
Increase in Temporarily Restricted Net Assets	27,893
Net Assets – at Beginning of Year	<u>194,141</u>
Net Assets – at End of Year	<u>\$ 222,034</u>

See accompanying notes and accountant's report.

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**

**Statement of Cash Flows Arising From  
Appropriations and Certain Other Transactions  
Year Ended December 31, 2005**

Cash Flows from Operating Activities:	
Increase in Net Assets	\$ 27,893
Adjustments to Reconcile Increase in Net Assets	
To Net Cash Provided by Operating Activities:	
(Increase) Decrease in Operating Assets	
Appropriations Receivable	6,510
Prepaid Insurance	173
Other Receivables	4,256
Increase (Decrease) in Operating Liabilities	
Accounts Payable	2,331
Miscellaneous Payable	<u>161</u>
Net Cash Provided by Operating Activities	41,324
Cash Flow from Investing Activities	<u>- 0 -</u>
Net Increase in Cash and Cash Equivalents	41,324
Cash and Cash Equivalents – Beginning of Year	<u>119,505</u>
Cash and Cash Equivalents – End of Year	<u><u>\$160,829</u></u>

See accompanying notes and accountant's report.

# **HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**

## **Notes to Financial Statements Limited to Appropriations and Certain Other Transactions December 31, 2005**

### **INTRODUCTION**

The Husser Volunteer Fire Department, Inc. (Husser Fire) was incorporated on October 2, 1997, as an association of volunteer firemen serving the Husser, Louisiana, geographical area. The Husser Volunteer Fire Department, Inc. is exempt from federal income tax under Section 501 (c) (4) of the Internal Revenue Code. The Husser Volunteer Fire Department, Inc., is funded, for the most part, by an annual appropriation from the Tangipahoa Parish Rural Fire Protection District No. 2 (Rural Fire Protection District No. 2).

The Rural Fire Protection District No. 2 contracts with the Husser Volunteer Fire Department, Inc. and nine (9) other fire departments to carry-out its mission of providing fire protection for the entire parish of Tangipahoa, excluding the incorporated municipalities and entire Third Ward in said Parish.

Rural Fire Protection District No. 2 received ad valorem taxes, state revenue sharing, and two (2%) percent fire insurance rebated monies and appropriates these monies, along with interest earnings, to the ten (10) individual fire departments in accordance with an annual agreement. The primary responsibility of each fire department is the prevention and termination of fires, which pose a threat to life or property within its areas of responsibility. The secondary responsibility is to respond to any and all calls for assistance from any of the other fire departments in Rural Fire Protection District No. 2. In recent years with the formation of the 911 system in the Parish, the responsibility of the fire department now includes handling certain 911 calls.

The annual agreement provides, in part, that the appropriation of revenue from Rural Fire Protection District No. 2 be based upon the square miles served by the individual fire departments, the population within the area served, and the number of fire calls received in a given period. The agreement also requires that the individual fire departments expend the appropriations solely for the purpose of operating, maintaining, and/or purchasing equipment and supplies for their fire department, and for approved salaries. The agreement additionally requires the individual fire departments to render quarterly statements of funds received and expended to Rural Fire Protection District No. 2.

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**  
**Notes to Financial Statements Limited to**  
**Appropriations and Certain Other Transactions – continued**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements present only the financial activities of Husser Fire arising from appropriations received from Rural Fire Protection District No. 2, and certain other revenues. The financial statements are not intended to and do not present the financial position and results of operations in conformity with generally accepted accounting principles.

**A. BASIS OF PRESENTATION**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, Husser Fire is required to report information regarding its financial position and activities according to three (3) classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**B. SUPPORT AND REVENUE**

Support consists primarily of appropriations received from Rural Fire Protection District No. 2 from ad valorem taxes, state revenue sharing funds, and fire insurance rebate funds received by the District. Husser Fire received a percentage of the total funds available to Rural Fire Protection District No. 2 based on the formula contained in a contract agreed to by all participating fire departments in Tangipahoa Parish.

**C. CONTRIBUTIONS**

Husser Fire has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made". Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

**D. CASH AND CASH EQUIVALENTS**

Cash includes amounts in interest-bearing demand deposits and money market accounts. Amounts in time deposits and those investments with original maturities of ninety (90) days or less are considered to be cash equivalents.



**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**  
**Notes to Financial Statements Limited to**  
**Appropriations and Certain Other Transactions – continued**

**E. STATEMENT OF CASH FLOWS**

For the purpose of the statement of cash flows, all investments, if any with a maturity of ninety (90) days or less from the date of purchase are considered to be cash equivalents.

**F. FAIR VALUES OF FINANCIAL INSTRUMENTS**

Husser Fire's financial instruments, none of which are held for trading purposes, include cash. The following method and assumption used by Husser Fire in estimating its fair value disclosures for financial instruments is:

Cash: The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities of these instruments.

**G. PROPERTY AND EQUIPMENT**

It is Husser Fire's policy to expense all assets purchased with appropriations from Rural Fire Protection District No. 2 because they are owned by Rural Fire Protection District No. 2 as stated in the contract between Rural Fire Protection District No. 2 and the ten (10) individual fire departments. Fixed assets are expensed at the time of purchase. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, Husser Fire reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Husser Fire reclassifies temporarily restricted net assets to unrestricted net assets at that time.

**H. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**  
**Notes to Financial Statements Limited to**  
**Appropriations and Certain Other Transactions – continued**

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2005, Husser Fire had cash and cash equivalents totaling \$160,829 as follows:

Operating account	\$ 87,883
Savings Account	<u>72,946</u>
Total	<u>\$160,829</u>

At December 31, 2005, Husser Fire had \$160,829 in deposits (collected bank balances). These deposits are secured from risk by \$160,829 of federal deposit insurance.

**3. APPROPRIATIONS FROM LOAN PROCEEDS**

In 2001, Rural Fire Protection District No. 2 borrowed \$126,000 on Certificates of Indebtedness, Series 2001A to be used by Husser Fire to purchase a new fire truck.

Two (2) certificates of indebtedness were issued. Certificate No. R-1 is for \$100,000 between Rural Fire Protection District No. 2 and Hancock Bank of Louisiana. Certificate No. R-2 for \$26,000 is between the Rural Fire Protection District No. 2 and the Louisiana Public Facilities Authority.

The certificates are collateralized by and payable solely from an irrevocable pledge and dedication of funds to be derived by the Rural Fire Protection District No. 2 from the levy and collection of a special 10 mills tax authorized to be levied through 2005.

There is no contractual agreement that requires the Husser Fire Department, Inc. to repay this indebtedness to the Rural Fire Protection District No. 2. However, the Husser Volunteer Fire Department, Inc., is expected to pay the annual debt service on these certificates of indebtedness from the annual appropriation to be received from Rural Fire Protection District No. 2.

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.****Notes to Financial Statements Limited to****Appropriations and Certain Other Transactions – continued**

At December 31, 2005, the balances owed by Rural Fire Protection District No. 2 on Certificates of Indebtedness, Series 2001A were as follows:

	Balance <u>12-31-04</u>	Payments <u>FYE 12-31-05</u>	Balance <u>12-31-05</u>
Cert. No. R-1	\$ 27,000	\$ -0-	\$ 27,000
Cert. No. R-2	<u>26,000</u>	<u>26,000</u>	<u>-0-</u>
Total	<u>\$ 53,000</u>	<u>\$ 26,000</u>	<u>\$ 27,000</u>

Debt service payments for 2006 will be \$27,709.

**4. LEASES AND COMMITMENTS**

The Husser Volunteer Fire Department, Inc. has no leases. The three fire station properties were donated to the Rural Fire Protection District No. 2 in prior years. The property improvements revert back to the donor if the property is no longer used for its intended purpose. The property is not reflected on the books since it owned by the Rural Fire Protection District No. 2.

**5. DONATED MATERIALS AND SERVICES**

Husser Fire records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials or equipment, when received, are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt.

No amounts have been reflected in the statements for donated services since the information was not available. Nevertheless, a substantial number of volunteers donated significant amounts of their time in Husser Fire's program services.

## **SUPPLEMENTAL INFORMATION**

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**

**Summary Schedule of Prior Year Findings  
Year Ended December 31, 2005**

**Comment 2004-01**

**Uncleared Bank Deposit**

There was an uncleared deposit on the bank reconciliation in the amount of \$32,753 which has been on the bank reconciliation for several months. It was determined this was a duplication of a deposit causing the bank balance to be overstated by the amount.

**Review of Findings**

Corrected

**Comment 2004-02**

**Not Making Timely Bank Deposits**

In reviewing a listing of monies received from the Fire District to the Husser Volunteer Fire Department, Inc. It appears that deposits are not being made shortly after money is received.

**Review of Findings**

Corrected

**Comment 2004-3**

**Incorrect QuickBooks Financial Statement**

In reviewing the QuickBooks file at year end, it was determined that numerous adjusting entries would have to be made to correct the financial statements. This meant the financial statements that were given to board members throughout the year were not correct.

**Review of Findings**

Not Corrected

Working on getting corrected by 2006.

See Accountant's Report

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**

**Current Year Comments and Recommendations  
Year Ended December 31, 2005**

**Comment 2005-01**

**Incorrect QuickBooks Financial Statement**

In reviewing the QuickBooks file at year end, it was determined that numerous adjusting entries would have to be made to correct the financial statements. This meant the financial statements that were given to board members throughout the year were not correct.

**Recommendation**

It is recommended that an outside firm review your QuickBooks file at least quarterly and make the necessary adjustments to insure you have correct financial statements.

See Accountant's Report

**HUSSER VOLUNTEER FIRE DEPARTMENT, INC.**

**Management Corrective Action Plan  
Year Ended December 31, 2005**

**Comment 2005-01**

**Incorrect QuickBooks Financial Statement**

We will have a meeting to discuss having an outside firm review our records. We will also have an outside CPA make the corrections to our books to match the financial statements.

See Accountant's Report